



Economic Impact Analysis Virginia Department of Planning and Budget

18 VAC 41-40 – Regulations for the Licensure of Wax Technicians

Department of Professional and Occupational Regulation

July 3, 2003

The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with Section 2.2-4007.G of the Administrative Process Act and Executive Order Number 21 (02). Section 2.2-4007.G requires that such economic impact analyses include, but need not be limited to, the projected number of businesses or other entities to whom the regulation would apply, the identity of any localities and types of businesses or other entities particularly affected, the projected number of persons and employment positions to be affected, the projected costs to affected businesses or entities to implement or comply with the regulation, and the impact on the use and value of private property. The analysis presented below represents DPB's best estimate of these economic impacts.

Summary of the Proposed Regulation

The General Assembly mandates in Chapter 797 of the 2002 Acts of Assembly that the Board of Barbers and Cosmetology promulgate regulations for the licensure/certification of wax technicians, wax technician instructors, waxing salons, and waxing schools. An emergency regulation to this effect has been in place since July 1, 2003. Prior to July 1, 2003, individuals and businesses providing waxing-related services and training are required to hold a cosmetology license issued by the Board of Barbers and Cosmetology.

The proposed regulation establishes (1) requirements for obtaining and maintaining a license/certification as a wax technician, a wax technician instructor, a waxing salon, and a waxing school, (2) conditions for renewing or reinstating an existing license/certification, (3) grounds for imposing a fine, renewing or reinstating a license/certification, or revoking, suspending, or denying a license/certification, (4) fees for issuing, renewing, or reinstating a license, (5) curriculum requirements for schools offering waxing training, and (6) safety and

sanitation procedures and standards of conduct for individuals and businesses providing waxing services and waxing training.

Estimated Economic Impact

Description of the regulation:

The proposed regulation is intended to establish minimum training requirements for individuals providing waxing services and to ensure that individuals and businesses providing waxing services and/or waxing training meet minimum health and safety standards. Prior to July 1, 2003 (when an emergency regulation licensing/certifying wax technicians, wax technician instructors, waxing salons, and waxing schools became effective), individuals and businesses providing waxing services and training are required to hold a cosmetology license issued by the Board of Barbers and Cosmetology (BBC).

Cosmetology, as defined in the Code of Virginia, includes hair care, cosmetic treatments, nail care, and waxing. Rather than getting a cosmetology license, the proposed regulation allows individuals and businesses interested in providing only waxing-related services to do so without having to meet the more extensive requirements associated with obtaining a cosmetology license. Licenses/certifications are to be issued in the following categories: wax technician, wax technician instructor, waxing salon, and waxing school. In addition, the proposed regulation establishes requirements in order for an individual to be a wax technician examiner or chief examiner.

Wax Technicians: Individuals applying for an initial wax technician license are required to pass a BBC-approved examination, administered either by the BBC or by a designated testing service. The examination is to consist of two parts, a written section and a practical section. Applicants who fail one or both parts of the examination are allowed to seek a re-examination in the part(s) they failed within one year of the initial examination date. The regulation caps the fees the BBC can charge to take or re-take the examination at \$225. The exact amount of the fee will depend on the cost incurred by the BBC in providing and administering the examination. Currently, the BBC charges \$50 from individuals taking or re-taking the cosmetology examination. If an applicant does not pass both parts of the wax technician examination within one year, the examination fee is forfeited and the applicant is required to submit a new

application and examination fee and re-take both the written and practical sections of the examination.

In order to be eligible to take the examination, applicants are required to have completed an approved wax technician training program at a Virginia-licensed waxing school or at a Virginia public school. Out-of-state applicants are required to have completed the same number of hours of training as a Virginia applicant or have completed training substantially equivalent to that provided in Virginia and have six months related work experience in order to be eligible for the examination. The proposed regulation allows licenses to be granted through reciprocity to individuals licensed as wax technicians in states that have training programs and examination requirements that are substantially equivalent to Virginia's programs and requirements. Exceptions to the training requirements include individuals trained as wax technicians at a Virginia state institution (defined as institutions approved by the Department of Education and the Department of Corrections) and individuals with two years of waxing experience in the U.S. armed forces.

Individuals eligible for the examination are issued a temporary license valid for 45 days from their initial examination date. The temporary license allows individuals to wax under the supervision of a licensed wax technician or cosmetologist while they take the examination and get licensed. Temporary licenses cannot be renewed. On passing the wax technician examination, individuals are issued an initial license valid for two years from the last day of the month in which the license is issued. Individuals licensed as wax technicians can renew their license for up to 30 days after it expires and can reinstate it for up to two years after it expires. If a license has been expired for more than two years, the license holder will be required to apply for initial licensure as a new applicant.

Licensees are required to meet certain standards of practice specified in the regulation such as operating under the name in which the license is issued. Violation of state health and sanitation laws, breach of standards of practice specified in the regulation, negligence, fraud, and conviction of a misdemeanor or felony related to waxing can be grounds for imposing a fine and for revoking, suspending, or denying a license.

The regulation proposes to charge applicants \$55 for an initial license, \$55 for a renewal, and \$110 for a reinstatement. Individuals applying under reciprocity will also be required to pay

the \$55 initial license fee. The fees being proposed are identical to those currently charged for the issuance of a cosmetologist license.

Wax Technician Instructors: Applicants for a wax technician instructor certification are required to hold a valid Virginia wax technician license. They are also required to either pass a course in teaching techniques at the post-secondary level, pass a wax technician instructor examination administered by the BBC or by a designated testing service, or complete a BBC-approved instructor training course, under a licensed wax technician instructor or cosmetology instructor and at a licensed waxing or cosmetology school.

Wax technician instructor licenses are valid for as long as the individual's wax technician license is valid. The renewal and reinstatement requirements are identical to those for wax technicians. If the wax technician/wax technician instructor license has been expired for more than two years, the license holder will be required to apply as a new applicant for a wax technician license. Upon receiving the wax technician license, the individual can then apply for a new instructor certification.

Certified instructors are required to meet certain standards of practice specified in the regulation such as operating under the name in which the certification is issued. Violation of state health and sanitation laws, breach of standards of practice specified in the regulation, negligence, fraud, and conviction of a misdemeanor or felony related to waxing can be grounds for imposing a fine and for revoking, suspending, or denying certification.

No fees are to be charged for a wax technician instructor certification. Currently, initial certification as a cosmetology instructor costs \$60, renewal of an existing certification costs \$60, and reinstatement of an existing certification costs \$120.

Waxing salons: Waxing salons are required to obtain a salon license in compliance with §54.1-704.1 of the Code of Virginia that requires individuals or entities operating barbershops, cosmetology salons, nail care salons, and waxing salons to hold a valid license issued by the BBC. The license is non-transferable. In the event of a change in name, address, or ownership or the closure of a waxing salon, owners are required to notify the BBC within 30 days.

Waxing salons are required to meet safety and sanitation standards specified in the proposed regulation. These include general safety and sanitation standards, requirements for the

disinfection and storage of implements, requirements for the sanitation, maintenance, and use of equipment, articles, tools, and products, conditions under which chemical products are to be stored, and client health guidelines. Waxing salons are also required to meet additional standards of practice such as ensuring that no licensee operating at the salon performs services beyond the scope of the wax technician license.

Initial licenses are valid for two years from the last day of the month in which they are issued. A license can be renewed for up to 30 days after it expires and reinstated for up to two years after it expires. If a license has been expired for more than two years, the license holder will be required to apply for initial licensure as a new applicant.

Violation of state health and sanitation laws, breach of standards of practice specified in the regulation, operation of unlicensed wax technicians at the salon, negligence, fraud, and conviction of a misdemeanor or felony related to waxing can be grounds for imposing a fine and for revoking, suspending, or denying a license.

The regulation proposes to charge businesses and individuals seeking to obtain a waxing salon license \$90 for an initial license, \$90 for a renewal, and \$180 for a reinstatement. The proposed fees are identical to those currently charged for the issuance of a cosmetology salon license.

Waxing Schools: Waxing schools are required to obtain a license in compliance with §54.1-704.2 of the Code of Virginia that requires individuals or entities operating schools providing training in barbering, cosmetology, nail care, and waxing to hold a valid license issued by the BBC. The application for a license is to be submitted to the BBC at least 60 days prior to the date for which the license is sought. The license is non-transferable. The name of the school and all signs and advertisements used by the school must indicate that it is an educational institution. In the event of a change in name, address, or ownership or the closure of a waxing school, owners are required to notify the BBC within 30 days. Waxing schools operated under the Department of Education and the Department of Corrections are exempt from the licensure requirements of this regulation.

Waxing schools are required to employ a staff of certified wax technician instructors or cosmetology instructors. They are also required to submit their waxing curriculum to the BBC for approval. The proposed regulation specifies curriculum and performance requirements,

including the minimum number of clock hours of instruction and the minimum number of waxing performances. Specifically, the regulation requires that the curriculum include modules on (i) school policies, state laws, personal hygiene, and professional ethics, (ii) client consultations, (iii) salon management, (iv) skin care and treatment, (v) skin theory and the structure and composition of skin, (vi) wax treatments, and (vii) waxing procedures. The curriculum is to be completed over a minimum 115 clock hours and include at least 36 waxing performances.

If a school receives compensation for waxing services provided at its clinic, it is required to hold a valid waxing salon license and post a notice informing the public that waxing services are provided by students. Classroom instruction is to be provided in area separate from the clinic where practical instruction is conducted and waxing services are provided. Waxing schools are required to meet safety and sanitation standards specified in the proposed regulation. These include general safety and sanitation standards, requirements for the disinfection and storage of implements, requirements for the sanitation, maintenance, and use of equipment, articles, tools, and products, conditions under which chemical products are to be stored, and client health guidelines. Waxing schools are also required to meet certain additional standards of practice such as ensuring that no licensee or student performs services beyond the scope of their license or training. In addition, waxing schools are required to meet record-keeping and notification requirements specified in the regulation.

Waxing school licenses expire on December 31 of every even numbered year. Licenses can be renewed for up to 30 days after expiry. Following that, the waxing school is required to apply for reinstatement. An application for reinstatement requires the school to provide the BBC with reasons for the failure to renew and a notarized statement to the effect that currently enrolled students and students seeking to enroll have been notified about the expiry of the license. The school is also required to consent and pass an inspection of the school. The BBC can then choose to reinstate the school's license, require re-qualification, or both. If the reinstatement application and fees are not received six months after the expiry of the license, graduates of the unlicensed school will no longer be eligible to take the wax technician examination. If the license has been expired for more than two years, the license holder is required to apply for initial licensure as a new applicant.

Violation of state health and sanitation laws, breach of standards of practice specified in the regulation, failure to teach the curriculum as approved, use of uncertified wax technician instructors to teach classes, negligence, fraud, and conviction of a misdemeanor or felony related to waxing can be grounds for imposing a fine and for revoking, suspending, or denying a license.

The regulation proposes to charge businesses and individuals seeking to obtain a waxing school license \$120 for an initial license, \$120 for a renewal, and \$240 for a reinstatement. The proposed fees are identical to those currently charged for the issuance of a cosmetology school license.

Examiners: The proposed regulation requires the practical section of the wax technician examination to be administered by examiners and be supervised by a chief examiner meeting BBC criteria. Examiners are required to hold a valid wax technician or cosmetologist license, have three years or more of waxing experience, and be active in the profession. Wax technicians and cosmetology instructors who are currently teaching or are school owners are barred from being examiners. Chief examiners are required to hold a valid wax technician or cosmetologist license, have five years or more of waxing experience, have three years experience as an examiner, and be active in the profession. Examiners and chief examiners are required to attend training workshops sponsored by the BBC and conduct examinations according to procedures established by the BBC.

Estimated Economic Impact:

Under current policy, only individuals and businesses licensed or certified under the existing cosmetology regulation are allowed to provide waxing-related services and training. Rather than getting a cosmetology license, the proposed regulation allows individuals and businesses interested in providing only waxing-related services to do so without having to meet the more extensive, and largely unrelated, requirements associated with obtaining a cosmetology license. The proposed regulation is similar to the existing cosmetology regulation in most of its requirements. However, it modifies the curriculum and performance requirements such that individuals seeking to be trained as wax technicians will not be required to get training in topics unrelated to waxing.

In order to be licensed as a cosmetologist, applicants are required to have completed cosmetology training that covers a wide range of activities including but not limited to waxing.

Subjects covered by cosmetology training include hair treatments, wig care, nail care, manicures and pedicures, facials and other skin care treatments, and waxing. Consequently, cosmetologists are licensed to perform various types of hair treatments on human hair, wigs, and hairpieces, manicure and pedicure nails, administer cosmetic treatments, and provide waxing services. Under the existing cosmetology regulation, cosmetology training is required to be provided over a minimum of 1,500 clock hours and include at least 525 performances.

The proposed regulation reduces the minimum training and performance requirements to reflect the fact that wax technicians will be providing only a small part of the range of services cosmetologists provide. Wax technician training is to be provided over a minimum of 115 clock hours and include at least 36 waxing performances.

Assuming that the curriculum and performance requirements of the proposed regulation ensure that individuals providing waxing services meet the same minimum health and safety standards that cosmetologists currently do, the proposed regulation is likely to lead to a more efficient allocation of resources and have a net positive economic impact. The efficiency gains arise from the fact that individuals seeking to get waxing training, businesses seeking to hire qualified waxing professionals, and consumers seeking to purchase waxing services will be able to do so at a lower cost and without increasing the risk to public health and safety.

Individuals seeking to provide waxing-related services will be able to get training specific to waxing. Instead of spending 1,500 hours or more than nine months full-time getting trained as a cosmetologist, individuals can get the training required to provide waxing services in a manner that is protective of public health and safety in 115 hours or a little under three weeks. Individuals seeking to be wax technicians will not be required to spend extra resources, in terms of additional time and money spent in meeting cosmetology training requirements, acquiring skills not essential to providing waxing services in a safe and hygienic manner. Moreover, the lower cost of getting the required training is likely to lower the barrier to entry and encourage more individuals to enter the profession.

Businesses (such as tanning salons and nail salons) seeking to provide waxing-related services are likely to be able to do so at a lower cost. Rather than hiring a cosmetologist to provide waxing services, businesses will be able to hire individuals with the same competence in waxing as a cosmetologist, but without the skills that cosmetologists have that are unrelated to

waxing. Businesses would then be able to compensate these individuals in a manner that better reflects the value of the services provided by them. Under the policy in effect prior to July 1, 2003, a business seeking to provide waxing-related services would have to hire licensed cosmetologists. In order to be able to do so, these establishments would have to offer wages that are roughly equivalent to what a cosmetologist would earn at a cosmetology salon (assuming no significant slackness in the cosmetologist labor market). In effect, these businesses would be compensating the cosmetologists for skills that are not relevant to waxing and paying wages higher than the value of the services provided by them. By being able to hire individuals with the required competency in waxing but without the other cosmetology skills, businesses will waste fewer resources by paying individuals hired to provide waxing services wages that are a better reflection of the value of the services provided by them. Moreover, larger number of individuals seeking training and getting licensed as wax technicians will increase competition among wax technicians and exert downward pressure on wages such that wages earned by individuals providing waxing services are equivalent to the value of the services provided by them. Lower costs of operating businesses that provide waxing-related services is likely to reduce the barrier to entry and result in more such businesses being set up in Virginia.

The reduced curriculum and performance requirements for individuals seeking to be licensed as wax technicians, the lower costs of operation for businesses that provide waxing services, and the increased number of qualified individuals and businesses providing these services is likely to reduce the cost of waxing services in Virginia. Consumers seeking to buy waxing services will be able to do so at a lower cost and without an increased risk to their health and safety.

Thus, the proposed regulation is likely to have a positive economic impact by leading to a more efficient allocation of resources. Individuals and businesses seeking to provide waxing services will not be required to waste resources learning or paying for skills not relevant to waxing. Moreover, the proposed regulation is likely to lower the barrier to entry and increase the number of individuals employed as wax technicians. By lowering the costs associated with training and hiring wax technicians and by increasing the number of individuals and businesses providing waxing services, the proposed regulation is likely to lower the price of waxing services in Virginia.

However, the standards being proposed may not necessarily lead to the most efficient allocation of resources. Requiring individuals to complete a minimum of 115 clock hours of waxing training including at least 36 waxing performances appears excessive both compared to current cosmetology requirements and compared to training requirements of other states.

(i) *Comparison to Cosmetology Requirements:* Currently, individuals seeking to provide waxing services in Virginia are required to complete at least 1,500 hours of training, including a minimum of 525 performances. Only a fraction of that time and those performances are spent on waxing-related subjects. In fact, the cosmetology regulation specifies a minimum of just five performances related to waxing and facials.

Based on an analysis of the cosmetology curriculum at nine cosmetology schools, only 16% of the time is spent on topics that have any relevance to waxing. A breakdown of the hours of cosmetology training by topic is presented in Table 1.

Table 1: Breakdown of Cosmetology Curriculum By Topic

| Topic | percentage of time spent on the topic |
|--------------------------------|---------------------------------------|
| Hair Care | 68% |
| Nail Care | 6% |
| Esthetics (or skin care) | 7% |
| Miscellaneous | 19% |
| Related to health and safety | 12% |
| Unrelated to health and safety | 7% |

Waxing-related training is included in esthetics or skin care training provided as part of the cosmetology curriculum. The miscellaneous category includes unassigned time and training in topics such as hygiene, sanitation, state laws, business ethics, salesmanship, career development, and shop management. Of the 19% of time spent on training in the miscellaneous topics, approximately 7% is not essential to reducing the risk to public health and safety. The time is either unassigned or spent on topics such as business management, salesmanship, and the development of communication skills. Training in these areas, especially in business management and salesmanship, are not essential to ensuring that cosmetologists meet required

minimum health and safety standards. Thus, only 12% of time in a cosmetology curriculum is spent on miscellaneous topics that have any relevance to health and safety issues as they relate to cosmetology. However, not all the health and safety topics covered by a cosmetology curriculum are likely to be relevant to esthetics (which includes waxing). The following analysis assumes (rather generously) that three-fourths of the health and safety requirements of a cosmetology curriculum are likely to be relevant to esthetics.

Based on the analysis of the cosmetology curriculum, it would appear that a cosmetology student spends approximately 16% of the time on topics with any relevance to esthetics (that includes 7% of time spent on esthetics training and 9% of time spent on relevant health and safety training). Thus, during a 1,500-hour cosmetology curriculum, a student would spend approximately 240 hours on training with any relevance to esthetics.

Based on an analysis of the esthetics curriculum at six schools, only 33% of the time is spent on topics that have any relevance to waxing. A breakdown of the hours of esthetics training by topic is presented in Table 2.

Table 2: Breakdown of Esthetics Curriculum By Topic

| Topic | percentage of time spent on the topic |
|--------------------------------|---------------------------------------|
| Waxing-related skin care | 26% |
| Waxing-unrelated skin care | 57% |
| Miscellaneous | 17% |
| Related to health and safety | 8% |
| Unrelated to Health and Safety | 9% |

The miscellaneous category includes unassigned time and training in topics such as hygiene, sanitation, state laws, business ethics, salesmanship, career development, and shop management. Of the 17% of time spent on training in the miscellaneous topics, approximately 9% is not essential to reducing the risk to public health and safety. The time is either unassigned or spent on topics such as salon management and salesmanship. Training in areas such as salon management and salesmanship are not essential to ensuring that estheticians and wax technicians meet required minimum health and safety standards. Thus, only 8% of time in an esthetics

curriculum is spent on miscellaneous topics that have any relevance to health and safety issues as they relate to esthetics. However, not all the health and safety topics covered by an esthetics curriculum are likely to be relevant to waxing. The following analysis assumes (rather generously) that nine-tenths of the health and safety requirements of an esthetics curriculum are likely to be relevant to waxing.

The proposed regulation includes salon management as one of the curriculum requirements. However, training in salon management and business ethics is not essential to ensuring that wax technicians meet required minimum health and safety standards. Inclusion of such topics in the curriculum just serve to increase the time and money spent in getting trained, without any clear benefits to public health and safety from the extra training. By increasing the costs associated with getting trained as a wax technician, extraneous curriculum requirements reduce the net economic benefits of the proposed regulation on employment, on the use and value of private property, and on consumers of waxing services in Virginia.

Based on the analysis of the esthetics curriculum, it would appear that an esthetics student spends approximately 33% of the time on topics with any relevance to waxing (that includes 26% of time spent on waxing-related skin care and 7% of time spent on relevant health and safety training). Thus, of the 240 hours in a cosmetology curriculum spent on esthetics-related training, only 79 hours have any relevance to waxing.

Based on the above analysis, a minimum of 79 clock hours of training for wax technicians would be equivalent to the waxing training currently provided to cosmetologists. In terms of the minimum number of waxing performances, current regulations require cosmetologists to perform just 5 performances related to waxing and facials. Conversations with three beauty schools in Virginia indicate that, in practice, cosmetology schools require students to perform anywhere between 5 to 26 waxing-related performances. Thus, wax technicians should be required to perform anywhere between 5 and 26 waxing performances in order for their training to be equivalent to waxing training currently provided to cosmetologists.

By requiring 115 clock hours of instruction and 36 waxing performances, the proposed regulation appears to impose standards in excess of what is currently required for a cosmetologist licensed to provide waxing services. Curriculum and performance requirements of a minimum of 79 clock hours of instruction and between 5 and 26 waxing performances would provide wax

technicians with training equivalent to the waxing-related training currently provided to cosmetologists and would lead to the most efficient allocation of resources.

As the proposed regulation stands, it is likely to impose different curriculum and performance requirements for wax technicians and cosmetologists even though they will both be licensed to provide the same service: waxing. The purpose of regulations such as the proposed waxing regulation and the existing cosmetology regulation is to ensure that minimum health and safety standards are met and the risk to public health and safety from such activities is reduced to a level deemed appropriate. If current waxing-related cosmetology curriculum and performance requirements provide the appropriate level of protection, wax technicians should be required to meet the same curriculum and performance requirements. If, on the other hand, the curriculum and performance requirements being proposed in the waxing regulation are the minimum required in order to protect public health and safety, cosmetologists should be required to meet these curriculum and performance requirements. Whichever the case, the standards being proposed should be consistent across wax technicians and cosmetologists and should be the minimum required to reduce the risk to public health and safety from waxing-related activities.

Available data indicate that existing cosmetology curriculum and performance requirements provide an adequate level of protection to public health and safety. There have not been many health- and safety-related complaints against cosmetologists who provide waxing services. According to the Department of Professional and Occupational Regulation (DPOR), there have been less than 10 waxing-related complaints filed against cosmetologists in the fiscal year-to-date (currently there are 39,000 licensed cosmetologists operating in Virginia). Based on available data it would appear that the cosmetology curriculum and performance requirements that relate to waxing are adequate to protect public health and safety. By requiring wax technicians to meet higher curriculum and performance requirements, the proposed regulation is likely to lead to a waste of resources.

(ii) *Comparison to Other States:* Based on a telephone survey conducted by DPOR, New York is the only other state that issues licenses specifically for waxing. Rather than requiring a cosmetology or an esthetics license, New York allows individuals seeking to provide waxing services to be licensed as wax technicians. Individuals applying for a wax technician license are required to have had a minimum of 75 clock hours of waxing training at an approved waxing

school. The curriculum is required to include at least 10 hours of training in professional requirements, 20 hours of training in safety and health issues, 10 hours of training in skin structure, disorders, and diseases, and 35 hours of training in the removal of superfluous hair.

The regulation has been in effect since January 1, 1999 and New York does not currently have any plans to increase the minimum training requirements to more than 75 hours. There are no studies or data available at this time that would indicate that the 75-hour training requirement has led to a significant increase in the risk to public health and safety. Moreover, there are no reports to indicate that the number of complaints against wax technicians is significantly more than the number of complaints against cosmetologists or estheticians providing waxing services.

Compared to existing cosmetology curriculum and performance requirements in Virginia and to existing curriculum requirements in New York, the curriculum and performance requirements for wax technicians in the proposed regulation are higher than the minimum necessary to protect public health and safety. Thus, the proposed regulation is likely to impose unnecessary costs and lead to an economically inefficient allocation of resources. Individuals training to be wax technicians will be required to waste resources on training not essential to providing waxing services in a safe and hygienic manner. Moreover, the extra training requirements and the higher costs associated with getting the required training will create a barrier to entry and prevent individuals from seeking training and being licensed as a wax technician. Businesses seeking to hire individuals to provide waxing services will be required to waste resources by paying higher wages than if the curriculum and performance requirements were the minimum necessary to protect public health and safety. Moreover, the higher costs associated with operating such businesses are likely to limit the number of facilities providing waxing services. Consumers seeking to buy waxing services will be required to pay more than if the curriculum and performance requirements were the minimum necessary to protect public health and safety. The higher costs associated with getting the required training, the higher costs of operations for businesses providing waxing services, and the decrease in the number of individuals and businesses providing these services is likely to exert an upward effect on the price of these services in Virginia.

Conclusion:

The proposed regulation is likely to lead to a more efficient allocation of resources and have a net positive economic impact. Rather than getting a cosmetology license, the proposed regulation allows individuals and businesses interested in providing only waxing-related services to do so without having to meet the more extensive, and largely unrelated, requirements associated with obtaining a cosmetology license. However, compared to existing cosmetology curriculum and performance requirements in Virginia and compared to existing curriculum requirements in New York (the only state that currently issues wax technician licenses), the curriculum and performance requirements being proposed are higher than the minimum required to protect public health and safety.

By imposing curriculum and performance requirements higher than the minimum required protect public health and safety, the proposed regulation is likely to lead to an economically inefficient allocation of resources. The requirements are likely to waste of resources, reduce the number of individuals and businesses providing waxing services in Virginia, and raise the price of these services. By imposing higher-than-necessary curriculum and performance requirements and creating a barrier to entry, the regulation is likely to limit the ability of individuals seeking an entry-level job as a wax technician to get the required training and find employment. These individuals tend to be from sections of society that are economically and socially disadvantaged and that have high rates of unemployment. The proposed curriculum and performance requirements will inhibit the ability of these individuals to seek and obtain employment.

Businesses and Entities Affected

The proposed regulation will affect individuals seeking to be licensed as wax technicians or certified as wax technician instructors and salons and schools seeking to provide waxing-related services and training. While most of the requirements of the proposed regulation are similar to existing cosmetology requirements, curriculum and performance requirements for wax technician training have been reduced. Thus, individuals and businesses seeking to provide waxing-related services will be able to do so at a lower cost than under the cosmetology regulation. However, compared to existing cosmetology curriculum and performance requirements in Virginia and compared to existing curriculum requirements in New York, the

proposed curriculum and performance requirements are higher than what is required to protect public health and safety.

As the proposed regulation creates new categories for licensure and certification, it is not possible at this time to provide an exact number of individuals and businesses that will be affected by the regulation. However, DPOR expects to license 200-300 wax technicians, 50-100 waxing salons, and approximately 160 cosmetology schools currently in operation in Virginia to provide waxing instruction.

Localities Particularly Affected

The proposed regulation will affect all localities in the Commonwealth. Nail salons and tanning salon located in the beach areas are likely to benefit the most from being able to provide waxing services without having to meet all the requirements of the cosmetology regulation.

Projected Impact on Employment

The proposed regulation is likely to have a positive impact on employment. By reducing the curriculum and performance requirements for individuals providing waxing services, the proposed regulation is likely to lower the barrier to entry and allow more people to seek training and be licensed as wax technicians. By lowering the costs of businesses providing waxing services, the proposed regulation is likely to increase the number of such establishments. Specifically, the proposed regulation is likely to create job opportunities and benefit the more economically disadvantaged sections of society (especially women) that tend to have the highest unemployment rate. However, by imposing curriculum and performance requirements higher than necessary to protect public health and safety, the full benefits on employment of separating out the waxing requirements from the cosmetology requirements will not be felt.

Effect on the Use and Value of Private Property

Overall, the proposed regulation is likely to have a positive impact on the use and value of private property. Businesses will be allowed to provide waxing services without having to hire a licensed cosmetologist. By lowering wage costs, the proposed regulation is likely to lower the costs of operation and raise the asset values of these businesses. While some smaller cosmetology salons that continue to use cosmetologists to provide waxing services may experience a loss of business and some establishments such as tanning and nail salons now able

to hire wax technicians to provide waxing services may experience an increase in business, the overall impact of the proposed regulation is likely to be positive. However, by imposing curriculum and performance requirements higher than necessary to protect public health and safety, the full benefits of the proposed regulation on the use and value of businesses providing waxing services will not be felt.